



2500 Broadway
Helena, MT 59601
(406) 495-7800
(406) 495-7880 Fax

SENATE EDUCATION

Exhibit No. 3
Date 2/18/15
Bill No. SB 328

February 18, 2015

RE: SB 328 – Higher Education Seeded Savings Accounts for Montana newborns

Dear Members of the Senate Education and Cultural Resources Committee:

As president and CEO of Student Assistance Foundation, I rise in support of SB328, which would provide for higher education seeded savings accounts for Montana newborns. I greatly appreciate the enthusiasm and dedication of the bill's sponsor, Sen. Llew Jones, and his commitment to this concept.

SAF's mission is to provide Montana students with the knowledge and tools to pursue and fund postsecondary education. Since 2000, SAF has provided nearly \$30 million in grants, scholarships and innovative programming to help Montana families plan and pay for college. Our programs include targeted efforts and funding to help Montana foster youth successfully transition to higher education; FAFSA completion assistance to help Montana families access existing resources to pay for college; and delivery of high-quality financial literacy curriculum and matched education savings accounts.

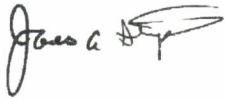
During my 30-plus years of working in the education finance and college access arenas, I have seen the shift in paying for college go from 75 percent grants and 25 percent family contribution or loans, to the direct opposite – 25 percent grants and 75 percent family contributions or loans. Obviously, this impacts affordability for most Montana families, and it has been our courageous goal at SAF to address, to the degree we are able, the resources available to improve affordability for Montana families.

Montana's 529 plan – the Montana Family Education Savings Plan – is an important item for Montana families. I strongly believe in the importance of families saving for future higher education costs and was active in the creation of the 529 plan in 1997. While Montana's 529 plan remains a great option for many Montana families, the plan is not widely used by low-to-moderate income families, or families without a college-going tradition. SB328 is a proactive move to help ALL Montana families leverage long-term savings for future college costs.

Research shows that students with up to \$500 saved for college are four times more likely to graduate from college than children with no college savings. Small, incremental savings over time add up, and the interest earned on these accounts over time also adds up. Just as important as the dollars, though, is the change in perception and behavior that is aligned with being prepared and confident to pursue education after high school. This legislation provides Montana families the opportunity to hope, plan, and dream about their children's futures, and encourages Montana children to see themselves as college-bound.

I urge your support of SB328.

Sincerely,

A handwritten signature in black ink, appearing to read "James Stipcich", with a stylized flourish at the end.

James Stipcich, President/CEO
jstipcich@safmt.org
406-495-7800
www.smartaboutcollege.org
www.safmt.org